

**BYLAWS
OF
RIVERWALK AT MILL VILLAGE HOMEOWNERS ASSOCIATION**

**ARTICLE I
INTRODUCTION**

These are the Bylaws of Riverwalk at Mill Village Homeowners Association, a Colorado non-profit corporation (the "Association"). Initial capitalized terms not otherwise defined herein are defined in Article I of The Common Interest Community Declaration of Riverwalk at Mill Village, a Planned Community, as recorded in the real estate records in the office of the Clerk and Recorder of Boulder County, Colorado (the "Declaration").

The purpose for which the Association is formed is to to operate the Common Interest Community known as Riverwalk at Mill Village, located in the City of Longmont, County of Boulder, State of Colorado (the "Community"). All present or future owners, guests or tenants or any other person that might use in any manner any of the Units, or Common Elements appurtenant to Riverwalk at Mill Village are subject to the provisions of these Bylaws and the Declaration. Acquisition, rental, or occupancy of any of the Units shall constitute acceptance and ratification of these Bylaws and the Declaration and shall signify that they will be complied with.

**ARTICLE II
NAME AND LOCATION**

The name of the Association is Riverwalk at Mill Village Homeowners Association. The principal office of the Association shall be located at 655 Fourth Avenue, Longmont, Colorado but meetings of Unit Owners and directors may be held at such places within the State of Colorado as may be designated by the Executive Board.

**ARTICLE III
UNIT OWNERS**

Any person, on becoming an Owner of a Unit, shall automatically become a member of this Association and shall be subject to these Bylaws. There shall be one membership for each Unit owned within the Community. This membership shall be automatically transferred upon the conveyance of that Unit. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit in the Community. Such termination shall not release any former Unit Owner from any liability arising under these Bylaws, or arising from membership in the Association, or arising by virtue of ownership of a Unit. The Declarant shall be a member with such rights and authority as are provided in the Declaration for so long as Declarant owns any Units.

ARTICLE IV
MEETING OF UNIT OWNERS

Section 1. Annual Meetings. The first annual meeting of the Unit Owners shall be held within the first calendar year following the year in which the Articles of Incorporation of the Association are filed for the purpose of electing directors and for the transaction of any other business that may come before the meeting, and each subsequent regular annual meeting of the Unit Owners shall be held each year thereafter, at the date and hour designated by the Executive Board. If the day for the annual meeting of the Unit Owners is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Unit Owners may be called at any time by the president or by the Executive Board, or upon written request of Unit Owners holding forty percent (40%) of the votes of the Association. At any time after Unit Owners, other than Declarant, are entitled to elect a director, the Association shall call a special meeting for this purpose.

Section 3. Notice of Meetings. Written notice of each meeting of the Unit Owners shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Unit Owner entitled to vote at such meeting, addressed to the Unit Owner's address last appearing in the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Voting.

- (a) The Association shall have one class of voting. Each Unit is allocated one vote for that Unit and the vote to which each Owner is entitled is the vote assigned to such Owner's Unit. If a Unit is owned by more than one (1) person, those persons shall agree among themselves how a vote for that Unit's membership is to be cast. Individual co-owners may not cast fractional votes. A vote by a co-owner for the entire Unit's membership interest shall be deemed to be pursuant to a valid proxy, unless another co-owner of the same Unit objects at the time the vote is cast, in which case such Unit's vote shall not be counted.
- (b) The vote of a corporation may be cast by any officer of that corporation in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation. The vote of a partnership may be cast by any general partner of the owning partnership. The vote of a limited liability company may be cast by any manager of that limited liability company in the absence of express notice of the designation of a specific person by the operating agreement of the owning limited liability company. The moderator of the meeting may require reasonable evidence that any person voting on behalf of any legal entity which is a Unit Owner is duly authorized by such legal entity to vote on its behalf.

Section 5. Quorum. A majority of the Unit Owners of the Association entitled to vote, represented in person or by proxy, shall constitute a quorum for a meeting of Unit Owners. If a quorum is present, the affirmative vote of the majority of the Unit Owners represented at the meeting and entitled to vote on the subject matter shall be the act of the Unit Owners unless the vote of a greater proportion or number is required by the Colorado Revised Nonprofit Corporation Act or the Articles of Incorporation. If less than a majority of the Unit Owners are represented at a meeting, a majority of the Unit Owners present may adjourn the meeting from time to time without further notice. At an adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. Unit Owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Unit Owners to leave less than a quorum present.

Section 6. Proxies. At all meetings of Unit Owners, each Unit Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Unit Owner of his Unit.

ARTICLE V EXECUTIVE BOARD

Section 1. Number and Qualification. The affairs of this Association shall be managed by an Executive Board which shall consist of not less than three (3) directors, the majority of whom, following the date of termination of the period of Declarant control and excepting the directors appointed by the Declarant, shall be Unit Owners or spouses of Unit Owners, or if a Unit is owned by an entity, then a designated representative of such Owner.

Section 2. Election. At any meeting at which directors are to be elected, the Unit Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Colorado Revised NonProfit Corporation Act or any successor statute for conducting the elections. Article V, Section 9 of the Declaration shall govern appointment of directors during the period of Declarant control.

Section 3. Term of Office. Each director shall hold office for a term of one (1) year and until his or her successor has been elected and qualified.

Section 4. Removal. Any director, other than a director appointed by Declarant, may be removed from the Executive Board, with or without cause, by a vote of 67 percent of the Unit Owners, in which event the Unit Owners shall elect a new director to serve the remainder of the removed director's term. In the event of death or resignation of a director, his successor shall be selected by the remaining members of the Executive Board and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval

of all the directors. Any action so approved shall have the same effect as though taken at a meeting of directors.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular meetings. Regular meetings of the Executive Board shall be held no less than annually, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the Executive Board shall be held when called by the president of the Association, or by any two (2) directors, after not less than seventy-two (72) hours notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Executive Board.

ARTICLE VII POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 1. Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration or these Bylaws. The Executive Board shall have the powers necessary for the administration of the affairs of the Association, which shall include, but not be limited to, the following:

- (a) adopt and amend Bylaws, Rules and regulations;
- (b) adopt and amend budgets for revenues, expenditures and reserves;
- (c) collect Common Expense Assessments from Unit Owners;
- (d) hire and discharge a Manager or managing agents provided that the Executive Board may delegate to such Manager or managing agents only the powers granted to the Executive Board by these Bylaws under subsections (c), (e), (g) and (h) of this Section;
- (e) hire and discharge independent contractors, employees and other agents;
- (f) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of or otherwise enforce the Declaration, Bylaws or rules in the Association's name, on behalf of the Association or two or more Unit Owners on matters affecting the Association;
- (g) make contracts and incur liabilities;

- (h) regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (i) cause additional Improvements to be made as a part of the Common Elements;
- (j) acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to the Declaration;
- (k) grant easements for any period of time, including permanent easements, and leases, licenses and concessions through or over the Common Elements;
- (l) impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, and for services provided to Unit Owners;
- (m) impose a reasonable charge for late payment of assessments, and, levy reasonable fines for violations of this Declaration, the Bylaws, rules and regulations of the Association;
- (n) suspend the voting rights and right to use of the facilities, if any, of a Unit Owner during any period in which such Unit Owner shall be in default on the payment of any assessment levied by the Association;
- (o) impose a reasonable charge for the preparation and recordation of amendments to these Bylaws and for a statement of unpaid assessments;
- (p) provide, at the option of the Executive Board, for the indemnification of the Association's officers and Executive Board and/or maintain directors' and officers' liability insurance;
- (q) assign the Association's right to future income, including the right to receive Common Expense Assessments;
- (r) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Unit Owners by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (s) exercise any other power that may be exercised in this state by legal entities of the same type as the Association;
- (t) exercise any other power necessary and proper for the governance and operation of the Association; and
- (u) by resolution, establish permanent and standing committees of Directors to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice

of their actions to Unit Owners and the Executive Board. Notice shall be deemed published when a copy of such notice is deposited in the U.S. mail, postage prepaid, to each Unit Owner and Director's address last appearing on the books of the Association for the purpose of notice. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within 45 days of publication of the notice. If an appeal is made, the committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 2. Duties. It shall be the duty of the Executive Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to Unit Owners at the annual meeting of the Unit Owners, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of Unit Owners who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - (i) fix the amount of the annual assessment,
 - (ii) send written notice of each assessment to every Unit Owner subject thereto if payment is not received within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Executive Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on the Common Elements and on other property owned by the Association;
- (f) cause the Common Elements and sign to be maintained;
- (g) Require all of the following if the Common Interest Community consists of thirty (30) or more Units and powers relating to the collection, deposit, transfer, or disbursement of Association funds are delegated to a Manager or managing agents:
 - (i) That the Manager or managing agents maintain fidelity insurance coverage or a bond in an amount not less than \$50,000.00 or a higher amount determined by the Executive Board;
 - (ii) That the Manager or managing agents maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Manager or managing agents and maintain all reserve accounts of the Association

- separate from those of any other association and separate from the operational accounts of the Association;
- (iii) That an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the Manager or managing agents, a public accountant or a certified public accountant; and
- (h) perform all of the duties and obligations, and exercise all of the rights, of the Association as set forth in the Declaration, Articles of Incorporation, these Bylaws, and the rules and regulations, except to the extent such performance or exercise is limited by those documents.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumerating of Offices. The officers of this Association shall be a president, who shall at all times be a member or the Executive Board, a secretary, and a treasurer, and such other officers as the Executive Board may from time to time by resolution appoint.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Executive Board following each annual meeting of the Unit Owners.

Section 3. Term. The officers of this Association shall be elected annually by the Executive Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Executive Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Executive Board. Any officer may resign at any time upon giving written notice to the Board, the president, or the secretary. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of president, secretary, and treasurer may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

President

- (a) The president shall preside at all meetings of the Executive Board and of the Unit Owners; and shall serve as moderator of all meetings of the Unit Owners; shall see that orders and resolutions of the Executive Board are carried out: shall sign all leases, mortgages, deeds, liens and other written instruments and shall co-sign all checks and promissory notes.

Secretary

- (b) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the Unit Owners; serve notice of meetings of the Executive Board and of the Unit Owners, keep appropriate current records showing the Unit Owners together with their addresses, and shall perform such other duties as required by the Executive Board.

Treasurer

- (c) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Executive Board; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular and annual meeting, and deliver a copy of each to the Unit Owners.

ARTICLE IX
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director and officer, and his or her heirs, executors and administrators against all loss, costs and expense, including attorney's fees reasonably incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a director or officer of the Association, except as to matters for which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement where the Association is advised by legal counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expense incurred if suffered by the Association by reason of, or arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing contained in this Article shall, however, be deemed to obligate the Association to indemnify any Unit Owner who is, or has been, a director or officer of the Association with respect to any duties or obligations assumed, or liabilities incurred, as a Unit Owner under or by virtue of the Declaration.

ARTICLE X
COMMITTEES

The Executive Board shall appoint an Architectural Control Committee, as provided in the Declaration. In addition, the Executive Board shall appoint other committees or subcommittees as deemed appropriate in carrying out its purposes.

ARTICLE XI
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Unit Owner, and by the first Mortgagee of his Unit. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Unit Owner, and by the first Mortgagee of his Unit, at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII
ASSESSMENTS

As more fully provided in the Declaration, each Unit Owner is obligated to pay to the Association Common Expense Assessments which are secured by continuing lien upon the property against which the assessment is made. Any Common Expense Assessments which are not paid when due shall be delinquent. If the assessment is not paid by its due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Unit Owner may waive or otherwise escape liability for the Common Expense Assessments provided for herein by non-use of the Common Elements or abandonment of his Unit.

ARTICLE XIII
AMENDMENT

Section 1. Amendment. These Bylaws may be amended at a regular or special meeting of the Unit Owners, by a vote of Unit Owners holding sixty-seven percent (67%) of the votes of the Association, in person or by proxy.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and the Articles of Incorporation or these Bylaws, the Declaration shall control.

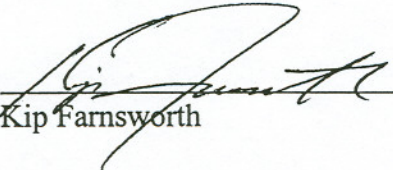
**ARTICLE XIV
MISCELLANEOUS**


The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year.

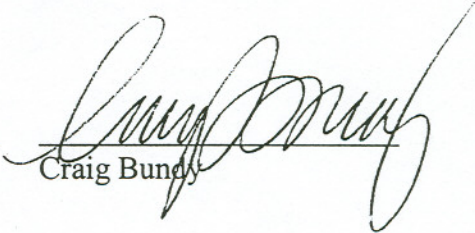
**ARTICLE XV
DISSOLUTION**

The Association may only be dissolved pursuant to then applicable statutes, ordinances, and regulations of governing bodies having jurisdiction of the Association and the property owned by the Association. This provision may not be amended at any time notwithstanding other provisions hereunder permitting amendment to these Bylaws.

IN WITNESS WHEREOF, we, being all the directors of the Riverwalk at Mill Village Homeowners Association have hereunto set our hands effective the _____ day of _____, 2001.


Kip Farnsworth


Ben Thomas

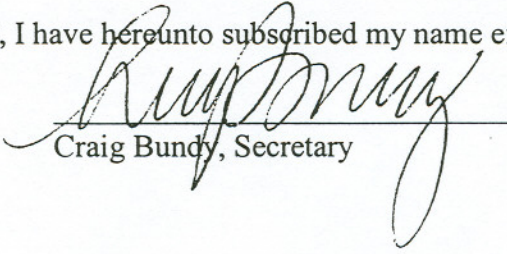

Craig Bundy

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Riverwalk at Mill Village Homeowner's Association, a Colorado nonprofit corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Executive Board thereof, effective the _____ day of _____, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name effective the _____ day of _____, 2001.


Craig Bundy, Secretary